

ABSTRACT

An investment portfolio management method and system. The method is developed using mathematical models and implemented via the Intra- and Internet technology. The method is a comprehensive personal financial planning business model. With this method a conventional mean-variance efficient portfolio frontier analysis, which is often cited in Modern Portfolio Theory (MPT), one of the major scholarly developments in modern finance, finds its way into actual securities trading and rebalancing in real world. MPT is modified to allow various transactions costs, e.g. bid/ask spread, brokerage commissions, taxes, and others; as well as non-stationary securities return distributions to form efficient portfolios in real time by way of various portfolio rebalancing strategies. The system offers an automatic, mathematical solution for asset allocation and cash management in real time, while managing and trading on portfolios of each asset class, e.g. commercial papers, repurchase agreements, money market funds, bonds, stocks, mutual funds, and other derivatives on an auto mode.